

AMENDMENT TO H.R. 2634
OFFERED BY MR. FRANK OF MASSACHUSETTS
(FOR HIMSELF, MR. BACHUS OF ALABAMA,
AND MRS. BIGGERT OF ILLINOIS)

Page 1, line 6, strike “2007” and insert “2008”.

Page 4, strike the sentence that begins on line 17 and insert “There are a number of challenges to both the effective reduction of poverty and inequality and the achievement of broader debt cancellation.”.

Page 5, strike the sentence that begins on line 1.

Page 5, beginning on line 14, strike “, as well as the threat posed by so-called ‘vulture funds’”.

Page 6, strike the sentence that begins on line 12 and insert “Some of these policies have had the effect of limiting fiscal space for productive investment and threatening growth and human development.”.

Page 7, strike lines 13 through 16 and insert the following:

- 1 (14) Since debt cancellation is an essential com-
- 2 ponent of the United States development assistance
- 3 strategy and the United States has been able to lead

1 the debt cancellation efforts of the international
2 community by example, the United States should
3 continue to work to improve and expand initiatives
4 in this area.

Page 8, line 8, after “to” insert “negotiate an agreement to”.

Page 8, strike line 20 and all that follows through line 5 on page 9.

Page 9, line 6, strike “(5)” and insert “(4)”.

Page 9, lin 11, strike “(6)” and insert “(5)”.

Page 9, after line 16, insert the following:

5 This subsection shall not be interpreted to authorize the
6 Secretary of the Treasury to enter into an agreement to
7 accomplish any of the foregoing without express congressional
8 authorization to do so.

Page 10, strike line 19 and all that follows through line 9 on page 11.

Page 11, line 10, strike “(3)” and insert “(2)”.

Page 11, line 13, strike “(4)” and insert “(3)”.

Page 11, line 14, insert “on new lending” after “framework”.

Page 11, line 18, strike “their new” and insert “such”.

Page 12, line 8, strike “(5)” and insert “(4)”.

Page 15, line 23, insert “, and does not qualify for debt relief under the Enhanced HIPC Initiative (as defined in section 1625(e)(3)) and under the Multilateral Debt Relief Initiative” before the semicolon.

Page 16, beginning on line 18, strike “**PROHIBITION OF HARMFUL ECONOMIC AND POLICY CONDITIONS**” and insert “**LIMITATION ON CONDITIONALITY OF DEBT RELIEF FOR ELIGIBLE LOW-INCOME COUNTRIES**”.

Page 17, strike line 1 and all that follows through line 21 on page 18 and insert the following:

1 **“SEC. 1627. LIMITATION ON CONDITIONALITY OF DEBT RE-**
2 **LIEF FOR ELIGIBLE LOW-INCOME COUN-**
3 **TRIES.**

4 “(a) IN GENERAL.—The Secretary of the Treasury
5 shall commence immediate efforts within the Paris Club
6 of Official Creditors, the International Monetary Fund
7 (IMF), the International Bank for Reconstruction and De-
8 velopment (World Bank), and the other international fi-
9 nancial institutions (as defined in section 1701(c)(2)) to
10 ensure that debt cancellation is provided to eligible low-

1 income countries (as defined in section 1626(h)) without
2 any conditions except requiring the government of such
3 a country to—

4 “(1) take steps so that the financial benefits of
5 debt relief are applied to programs to combat pov-
6 erty (in particular through concrete measures to im-
7 prove economic infrastructure, basic services in edu-
8 cation, nutrition, and health, particularly treatment
9 and prevention of the leading causes of mortality)
10 and to redress environmental degradation;

11 “(2) make policy decisions through transparent
12 and participatory processes;

13 “(3) adopt an integrated development strategy
14 to support poverty reduction through economic
15 growth, that includes monitorable poverty reduction
16 goals;

17 “(4) implement transparent policy making and
18 budget procedures, good governance, and effective
19 anticorruption measures;

20 “(5) broaden public participation and popular
21 understanding of the principles and goals of poverty
22 reduction, particularly through economic growth,
23 and good governance;

1 “(6) promote the participation of citizens and
2 nongovernmental organizations in the economic pol-
3 icy choices of the government; and

4 “(7) produce an annual report disclosing how
5 the savings from debt cancellation were used, and
6 make the report publicly available and easily acces-
7 sible to all interested parties, including civil society
8 groups and the media.”.

At the end of the bill, add the following:

9 **SEC. 5. SENSE OF THE CONGRESS.**

10 It is the sense of the Congress that to further the
11 goals of debt reduction for low-income countries, in addi-
12 tion to the efforts described in this Act, the United States
13 should pay off outstanding arrearages of \$595,800,000 to
14 the International Development Association and regional
15 development banks, and become current on all debt reduc-
16 tion efforts, including those carried out by the Inter-
17 national Development Association and under the En-
18 hanced Heavily Indebted Poor Countries Initiative and the
19 Multilateral Debt Relief Initiative.